GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:2118
ANSWERED ON:22.07.2004
RESTRUCTURING OF SGSY
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Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Government have restructured the Swarnajayanti Gram Swarojgar Yojana (SGSY);

(b) if so, the details thereof; and

(c) the details of the changes brought about in the revised SGSY?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRIMATI SURYAKANTA PATIL)

(a) & (b): No, Sir. The Swarnajayanti Gram Swarojgar Yojana (SGSY) has been launched as an integrated programme for self-employment of the rural poor only in 1999 after review and restructuring of erstwhile Integrated Rural Development Programme(IRDP) and allied programmes namely Training of Rural Youth for Self Employment(TRYSEM), Development of Women and Children in Rural Areas(DWCRA), Supply of Toolkits in Rural Areas (SITRA) and Ganga Kalyan Yojana(GYK), besides Million Wells Scheme(MWS). The earlier programmes are no more in operation with the launching of the SGSY. Since then, the scheme has not been restructured. However, based on the recommendations of National Conference on the `SHG Movement and the SGSY` held in 2001, report of the Working Group on Poverty Alleviation for the Tenth Five year Plan and feed back suggestions from the States/UTs, centrain amendments have been made in the guidelines to make the programme more effective.

(c) The gist of amendments in SGSY guidelines is annexed.

ANNEXURE

Annexure as referred to in reply to part `C` of Lok Sabha Unstarred Question No. 2118 due for reply on 22-7-2004.

Gist of Amendments in the guidelines of SGSY

Objective Of SGSY - The objective of the SGSY is to bring the assisted poor families (Swarozgaris) above the poverty line by ensuring appreciable increase in income over a period of time. This objective is to be achieved by inter-alia organizing the rural poor into Self Help Groups through the process of social mobilization, their training and capacity building and provision of income-generating assets through a mix of Bank Credit and government subsidy.

Number of Key Activities − The number of key activities selected in a block should not ordinarily exceed 10. However, focus should be on 4-5 key activities which are identified for training and micro enterprise development in a cluster approach for larger number of groups with desired backward and forward linkages.

Income from the Economic Activity − The economic activity taken up by the Swarozgaris should generate appreciable incremental income sustained over a period of time which will help the Swarozgaris to effectively cross the poverty line. DRDAs may ensure that the anticipated income as stipulated in the Project is realised during the project period and projects are not under financed.

Size of the Self Help Group − A Self Help Group (SHG) may generally consist of 10-20 persons. However, in difficult areas like deserts, hills and areas with scattered and sparse population and in case of minor irrigation and disabled persons, this number may be from 5-20. The difficult areas have to be identified by the State Level SGSY Committee.

Composition of the Self Help Group − Generally all members of the Group should belong to families below the poverty line. However, if necessary, a maximum of 20%, and in exceptional cases, where essentially required, upto a maximum of 30% of the members in a Group may be from families marginally above the poverty line, living contiguously with BPL families and if they are acceptable to BPL members of the Group. The APL members of the Group will not be eligible for subsidy under the Scheme and shall not become office bearers (Group leader, assistant group leader or treasurer) of the group. The BPL families must actively participate in the management and decision making which should not be entirely in the hands of APL families.

In case of disabled persons a group may comprise of persons with diverse disabilities or group may comprise of both disabled and non-disabled persons below the poverty line.

Provision for utilising the services of Animators/Community Coordinators − The SGSY is a process oriented Scheme, therefore, the role of Facilitator is very crucial in social mobilisation of people, formation and nurturing of SHGs. Many areas of the Country do not have presence of NGOs who could be involved as Facilitators. Keeping this aspect in view, DRDAs have been permitted to use the services of trained individuals as Facilitators DRDAs may support NGOs or Community Based Organisations (CBOs) or network of Community Coordinators/Animators or a team of dedicated functionaries of the Government in the task of initiating and sustaining the group development process. The Community Coordinators / Animators could preferably be from the community or in some cases, may be from outside the area. They could be leaders / members of Self Help Groups(SHGs) or persons having experience or training in the field of community organisation and social mobilisation. The selection of Facilitator / Community Coordinator and their training and capacity building is critical for the success of the Programme. Therefore, the District SGSY Committee may select suitable organisations / societies / individuals as Facilitators / Community Coordinators based on their past experience in SHG formation, community organisation or any other similar work involving participatory approach, communication skill, ability to stay with the people in the rural area etc. They would have to stay for a period of 2-3 years with the group to ensure continuity as well as enable the groups to mature into a self managed organisations. A Community Coordinator / Animator could take up the responsibility of managing 10-15 SHGs in a geographical cluster consisting of 4-5 villages with in a radius of 4-5 Kms.

An amount upto a maximum of Rs.10,000/ may be spent on formation of new Self Help Group and their training and capacity building. The payment of amount to the NGOs / CBOs / Community Coordinators / Animators will be made in four installments based on the stage of development of the SHG in the manner as given the amended Guidelines.

The DRDAs may devise a Memorandum of Understanding (MoU) for entering into an agreement with NGOs / CBOs / Community Coordinators / Animators being involved as facilitators for group formation, development and training. The MoU should clearly define the role of facilitator in group formation and development. Further, payment to the facilitator should be specifically linked to the stage of development of the group and overall performance. The DRDA shall regularly monitor the progress of groups through periodic evaluations.

Flexibility in utilisation of Funds - The SGSY is a process oriented Scheme, therefore, the States/ UTs may be in different stages of the implementation of the Scheme. The fund required for training and capacity building including Basic Orientation, Skill development ,Entrepreneurship development, Revolving fund to SHGs and Subsidy for economic activity may vary from State to State. The DRDAs may prioritise the expenditure on different components i.e. Training and capacity building, Revolving Fund and Subsidy for economic activity based on the local requirements and different stages of group formation. However, the expenditure on infrastructure will not exceed 20% of the total annual allocation(25% in case of NE States). The asset creation for the Swarozgaris is one of the core objectives of the Scheme ,therefore, DRDAs should give utmost importance on it and enable the Swarozgaris in acquiring income generating assets as the culmination of the whole process.

Provision for Studies related to Marketing Research / value addition of products - An amount up to Rs.Five lakhs annually may be spent from the funds available under the Scheme on management of professional input related to marketing research, value addition or product diversification or any other input which would facilitate formulation of viable projects and marketing of the produce, ultimately resulting in additional income to the Swarozgaries and development of models which could be replicated .

Subsidy Norms for SHGs and Disabled Persons − Subsidy under the SGSY will be uniform at 30 % of the project cost, subject to a maximum of Rs.7500/-. In respect of SC/STs and disabled persons however, these will be 50% and Rs. 10,000/- respectively. For group of Swarozgaris (SHGs), the subsidy would be 50% of the project cost subject to per capita subsidy of Rs.10,000/- or Rs. 1.25 lakhs, whichever is less. There will be no monetary limit on subsidy for irrigation projects.

Expenditure on Training − The DRDA will be entitled to meet the expenses, incurred by the training institution for both Basic Orientation and Skill Development Training from out of the SGSY Fund. The Basic Orientation Training may include topics on concept of Self Help, group dynamics , conflict resolution, conduct of group meetings , maintenance of records, awareness about social and family welfare programmes etc. The training for skill development may include skill upgradation through exposure to latest tools and technology, value addition and diversification of products , entrepreneurship development, marketing skills , packaging, labeling etc

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The total expenditure on Basic Orientation and skill development training will not exceed Rs.5,000 per trainee. Duration of Skill development training will be decided by the State Government depending upon the activities and in order to ensure uniformity of the duration of training for all the Districts. Skill development training will be taken up only for Swarozgaries selected for assistance under the Scheme.

Expenditure on Fairs and Exhibitions for Swarozgaris − Expenditure incurred in organising fairs, exhibitions and participation of Swarozgaris in fairs and exhibitions may be met from the funds available under the SGSY Programme Infrastructure .

Relaxation of Time for Grading of SHGs − For minor irrigation schemes, relaxation of time for the second grading could be allowed, if the group is found credit-worthy and the project is viable. The decision in regard to the relaxation may be taken by the Block Level SGSY Committee.

In case, the Self Help Group has been in existence prior to the SGSY under other Programmes and have completed six / twelve months from the date of formation and it is brought under the SGSY, such Groups may be subjected to First / Second Grading, without waiting for another six / twelve months for sanction of Revolving Fund / Economic Activity respectively.